

Message Text

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73

ACTION NEA-12

INFO OCT-01 EUR-25 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 SCI-06 SCEM-02 INT-08 FPC-01

EB-11 COME-00 TRSE-00 OMB-01 CIEP-02 AF-10 OPIC-12

NEAE-00 DRC-01 /202 W

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P 092310Z NOV 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 5484

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

C O N F I D E N T I A L LONDON 13162

DEPARTMENT PASS USINT BAGHDAD PRIORITY

E.O. 11652: GDS

TAGS: ENRG, IZ

SUBJECT: EXXON, MOBIL AND SHELL TALKS WITH IRAQIS
ON NATIONALIZATION AND CRUDE SUPPLY

REF: (A) BAGHDAD 601, (B) BAGHDAD 546

SUMMARY: MOBIL EXXON AND SHELL REPRESENTATIVES WILL
DISCUSS COMPENSATION FOR BPC NATIONALIZATION AND
ARRANGEMENTS FOR BUYING IRAQI CRUDE FOR AT LEAST
1974-75 WITH MINISTER HAMMADI WEEK OF NOVEMBER 12.
END SUMMARY.

1. ENSOR (MOBIL) TELLS US MOBIL AND EXXON
REPRESENTATIVES WILL ARRIVE BAGHDAD EVENING OF NOVEMBER
11 TO BEGIN TALKS WITH MINISTER HAMMADI ON COMPENSATION
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FOR "PURPORTED" NATIONALIZATION OF U.S. COMPANIES'

INTERESTS IN BPC PURSUANT TO LAW 70 AND ON PINNING DOWN
CRUDE OIL AVAILABILITY FOR AT LEAST 1974-75. SHELL
REPRESENTATIVES WILL ALSO BE IN BAGHDAD FOR WHAT MAY
TURN OUT TO BE JOINT OR CONCURRENT MEETINGS WITH
IRAQIS ON 60 PERCENT NATIONALIZATION OF SHELL
SUBSIDIARY PURSUANT TO LAW 90.

2. ACCORDING TO ENSOR, HAMMADI HAS LET IT BE KNOWN
FOR SOME TIME THAT HE WANTS TO TALK TO BPC ABOUT
WHOLE RAFT OF OUTSTANDING QUESTIONS, INCLUDING
PARTICIPATION ARRANGEMENTS AGREED TO IN PRINCIPLE LAST
FEBRUARY. MINISTER NOW HAS SAID HE WOULD BE AVAILABLE
PRIOR TO LEAVING FOR NOVEMBER 17 VIENNA MEETINGS
WITH INDUSTRY OFFICIALS AND SUBSEQUENT OPEC MEETING
ON NOVEMBER 19. BP AND CFP THOUGHT IT WAS UNWISE TO
SEE HAMMADI BEFORE VIENNA MEETINGS PREFERRING TO TALK
WITH HIM SUBSEQUENTLY. BUT MOBIL, EXXON AND SHELL
HAVE DECIDED IT IS MORE IMPORTANT NOT TO JEOPARDIZE
CRUDE AVAILABILITY SINCE IRAQIS HAVE STATED
THEY COULD AND WOULD SELL CRUDE ELSEWHERE IF COMPANIES
DELAYED TOO LONG.

3. ENSOR SAYS BP AND CFP HAVE BEEN NOTIFIED THAT
OTHER THREE COMPANIES WILL SEE HAMMADI WITHOUT
THEM.

ANNENBERG

NOTE BY OC/T: NOT PASSED USINT BAGHDAD.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PETROLEUM, SUPPLIES, MEETINGS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: mcintyresh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LONDON13162
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731144/aaaabgiu.tel
Line Count: 89
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) BAGHDAD 601, (B) BAGHDAD 546
Review Action: RELEASED, APPROVED
Review Authority: mcintyresh
Review Comment: n/a
Review Content Flags:
Review Date: 12 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Jul-2001 by boyleja>; APPROVED <20-Aug-2001 by mcintyresh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXXON, MOBIL AND SHELL TALKS WITH IRAQIS ON NATIONALIZATION AND CRUDE SUPPLY
TAGS: ENRG, IZ, EXXON, MOBIL OIL CO, SHELL OIL CO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005